

VERMONT

A Brief History of Health Care Reform

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January 11, 2017

Background Facts:

By the Numbers



| | 2000 | | 2014 | |
|----------------------|---------------------|--------------------|---------------------|--------------------|
| Population | 609,618 | | 626,562 | |
| Health Care Spending | \$2.3 billion | | \$5.54 billion | |
| Per Capita | \$3,759 | | \$8,843 | |
| % State GDP | 12.4% | | 18.7% | |
| | <u>Count</u> | <u>Rate</u> | <u>Count</u> | <u>Rate</u> |
| Private Insurance | 366,213 | 60.1% | 341,077 | 54.4% |
| Medicaid | 97,664 | 16.0% | 132,829 | 21.2% |
| Medicare | 87,937 | 14.4% | 110,916 | 17.7% |
| Military | 5,626 | 0.9% | 18,578 | 3.0% |
| Uninsured | 51,390 | 8.4% | 23,231 | 3.7% |

Vermont has a long history of coverage, quality, and cost control initiatives.

- Reforms date as far back as the 1940s
- The Legislature has passed many health care reform bills over the years – some making small or incremental changes, some modifying existing programs, and some establishing significant new initiatives.
- This presentation will begin with the 1990s and only focus on significant and specific health care reform initiatives.

Major Reforms in the 90s

- **Act 160 of 1992**

- Unsuccessful push for universal care program and single payer
- Creation of the **Health Care Authority** (began August 1992)
 - 3 member administrative body tasked with responsibility for ensuring universal access and containing health care costs
 - Existed for about 4 years before it became part of the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA)

- **Dr. Dynasaur** – Eligibility expansion for children (through Medicaid Waiver)

- Implemented in late 80s/early 90s
- Increased eligibility up to 300% FPL in the mid-90's



- **Vermont Health Access Plan (VHAP)**

- Eligibility expansion for coverage for low-income uninsured adults (through Medicaid Waiver)
- Also included an Rx component (VHAP Rx)
- Eligibility expanded to 195% for parents and caretakers of eligible children



Major Reforms in the 2000s

- **H.524 (2005) – *Vetoed by Governor Douglas***

- Created Green Mountain Health
 - Publicly funded health coverage for uninsured residents with a limited benefit that would expand over time to a universal, complete benefit
 - Financed by “health effort tax” on wages

- **Catamount Health**

- Initially passed in Act 191 (2006); later amended several times
- Implemented in 2007
- Created a new health insurance product – offered by BCBSVT and MVP Health Care
- State-subsidized premium assistance program (CHAP)
- State subsidy for employer sponsored insurance (ESI) if eligible and if more cost-effective to the State
- Financed by employer assessment and a portion of cigarette tax revenue

- **Other notable reforms**

- VPharm – Medicare Part D wrap-around Rx coverage for low-income Vermonters
- Blueprint for Health – chronic conditions pilot begins (codified and expanded later)
- Health information technology fund created
- Establishment of Health Care Reform Commission
- ACO Pilot Project



Major Reforms in the 2010s

- **Hsiao Study – (Act 128 of 2010)**

- Legislature hired a consultant, Dr. William Hsiao, to design three health care system options (single payer, public option, and at least one other)

- **Green Mountain Care (Act 48 of 2011)**

- Created as a universal and unified (“single-payer”) health care system

- **Vermont Health Benefit Exchange (Act 48 of 2011 and others)**

- Known as “Vermont Health Connect”
- Initially designed also to be the platform to support Green Mountain Care
- All health insurance plans for individuals/small groups must be Exchange plans
- Provides premium assistance and cost-sharing subsidies in addition to federal subsidies for individuals up to 300% FPL

- **Other notable reforms**

- Adoption of 14 principles for reforming health care in Vermont (Act 48)
- Creation of Green Mountain Care Board, transfer of duties to Board (Act 48, others)
- All-payer model and accountable care organizations (Act 113 of 2016)

Questions?